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Preserving democracy and the rules-based liberal order

The strong growth of the Spanish economy is an exception within the European context, where there are signs of a broad-based slowdown. The challenge for a progressive minority coalition government such as the Spanish one is to ensure that economic growth is also perceived as such by citizens. The sustainability of democracy in Europe partly depends on reducing inequality gaps and providing a hopeful horizon, especially for the most fragile. In addition to this challenge, which is shared with other European states, the Spanish government has proposed a reform to modernise the justice system, the approval of which in parliament is not, however, guaranteed. Neither Spain nor Europe can remain indifferent to the progressive dismantling of the rules-based international order. A more hostile and insecure world requires a more substantial commitment from the European Union and its states to multilateralism. Strengthening Europe's security and defence structures cannot be delayed.

Spain internally: A progressive coalition government without a progressive parliamentary majority

A cohesive progressive coalition government and a fragile legislative majority

The time of absolute majorities in Spain has come to an end. Nor is it common for governments to have iron-clad majorities around an ideologically shared government agenda. The general elections held on 23 July 2023 in Spain allowed Pedro Sánchez to be invested as president of a progressive coalition government formed by the Partido Socialista Obrero Español (PSOE; 121 seats) and Sumar (31 seats). The two parties then comprised a total of 152 members in a parliament of 350.

The political forces in the parliament that facilitated the formation of a progressive coalition government in Spain have never made a strong commitment to governability built

around an ideologically shared agenda. The support of parliamentary partners has been conditional on compliance with the agreements that the government signed with each of them in accordance with their interests. These agreements do not, in themselves, represent a guarantee of support for all legislative initiatives put forward by the government.

In recent times, the parliamentary majority in question has demonstrated its fragility with the rejection of some of its key initiatives, such as those aimed at preventing the processing of the national budget. More than a parliamentary majority supporting the government in Spain, there is a 'negative majority'. This makes governability more difficult, but the existence of such a negative majority cannot be interpreted as an alternative majority capable of ending the legislature. In fact, the political forces of the right (PP) and the far right (VOX) today do not have the support of other important political forces to impose a motion of censure. PP and VOX would be able to form a coalition government if, in hypothetical general elections, they won enough seats to form a majority in parliament.

The parliamentary fragility of support for the government, coupled with the absence of an alternative majority, makes all scenarios possible regarding when the legislature will come to an end. The possible presence of a far-right political force (VOX) in government, a party that denies the consequences of climate change and violence against women and rejects the defence of a liberal rules-based order poses a real challenge to Spain. All surveys indicate consistently growing support for the extreme right-wing party VOX, particularly among young people. The right wing of PP, far from raising concerns about the far right as a governing partner, has agreed to a pact with them. This has been the case in the governments of some autonomous communities – most recently in Valencia.

The welfare state as a shield for the protection of democracy

The Spanish economy is growing robustly and is an exception within the European context, where there is evidence of a generalised slowdown. Estimates from the National Institute of Statistics (INE) indicate an increase of around 3% of Spanish GDP during the first two quarters of 2025. The OECD puts GDP growth at 2.8%. The economy is growing steadily, as shown by indicators on private consumption growth, business investment and public consumption. The external sector has also been one of the pillars of growth since 2023, although, in 2025, exports of goods performed worse than exports of tourism and non-tourism services. The tariffs imposed by Donald Trump on our products are probably the reason for this slowdown. The good functioning of the labour market, with 22 million employees, cannot be ignored among favourable indicators. And, of course, the implementation of NextGenerationEU funds in Spain also has an impact on the good performance of domestic demand. Spain's figures for public deficits (-2.5% of GDP) or public debt (98.2%) are also positive in relation to the figures for European countries. Inflation does exceed the European average, although the differential is narrowed if the energy component is excluded from the calculation.

The data provided by the Spanish macroeconomy should be complemented by an analysis of the less optimistic perception expressed by citizens. The very favourable

performance of the Spanish economy or the improvement in labour market figures coexist with stagnating wages and a significant loss of purchasing power. This reality is not unique to Spain. Since 2022, consumer confidence in the European Union (EU) has been below its historical average. This mismatch between macro- and microeconomics, combined with the worrying numbers of people at risk of poverty or social exclusion, should alert us to the problem of inequality. The difficulties for large groups of society, such as young people, to perceive the positive impact of a robust economy, represent a challenge to the health of democracy. The lack of expectations for the future makes the political promises of a highly populist nature, such as those proposed by the extreme right on immigration, the green agenda or feminism, attractive.

The challenge for governments in a pluralistic society, such as Europe, is to offer a new social contract and strengthen the architecture of the welfare state by safeguarding its universal character. Social democracy must relax its narrative towards those who, without discussing the content and scope of the welfare state, propose discussions to those whom they should be addressed. Thus, the extreme right shapes its policy proposals based on the so-called 'wellbeing chauvinism'. This concept restricts the beneficiaries of public policies and social services to those who meet the criteria of belonging (nationality) and merit (the relationship between what is brought into the system and what is received from it). This new approach to the ideal of a welfare state is not only taking root in far-right political proposals, but it is also present in many initiatives taken by centre-right parties in Europe and in Spain. How can a narrative that corrects these approaches be articulated from the left? The difficulty lies not in the theoretical approach about how important it is to preserve a universal character of the welfare state, but in making it attractive to those citizens in the most fragile situations who find a balm for the uncertainties of the future in 'wellbeing chauvinism'.

Spain and the need to modernise the justice system

In addition to the challenges common to all EU member states, certain countries need to address particular challenges. In the case of Spain, improving the functioning of the justice system and modernising the selection process for judges is a necessity, in addition to a democratic commitment to a progressive government. In this regard, Spain agreed with the European Commission in the framework of the Recovery, Transformation and Resilience Plan to adopt a law on measures on the efficiency of the Public Justice Service that incorporates relevant organisational and procedural changes. Additionally, the government has proposed three major reforms affecting the judicial system, which are currently under parliamentary discussion.

It is, first of all, about designing a new criminal procedure, where investigation is carried out by a public prosecutor, as it is the case in other European countries such as Germany or Italy. Secondly, an initiative to ensure protection against abusive court proceedings, as required by the relevant European legislation, has been launched. Thirdly, a proposal to reform the selection process for judges and prosecutors deserves particular attention. The

current system for selecting judges and prosecutors is outdated, ineffective and does not guarantee equal opportunities. The diagnosis of the weaknesses of the current system is widely shared, but there is strong corporate resistance to change.

The great virtue of the reform to modernise the justice system is that it impacts almost all elements that make up the current system of selecting judges and prosecutors. The written test will increase the competences in legal argumentation and critical reasoning that are essential to select the archetype of democratic judge demanded by complex societies.

Nevertheless, the lack of a strong majority might prevent this reform from finding approval in parliament. This difficulty does not constitute a sufficient excuse to not discuss the initiative to bring the mechanism for selecting judges closer to those existing in other European countries.

An international perspective: A strong voice in the challenges of a new global disorder

Upholding the rules-based order: An imperative for Europe and Spain

The dismantling of the rules-based liberal order is the result of a deliberate political decision by actors such as Russia or the United States. China is also advocating a more 'Chinese-centric' political order and has become the largest donor of funds to emerging and developing countries. The reluctance of major global powers to reform the international system in a way that meets the expectations of countries belonging to the Global South is another important issue. However, Russia's illegal aggression against Ukraine was an abrupt awakening for Europeans to a more hostile world. The United States' tariffs on EU products, as well as the brutal way of negotiating an agreement with Europeans, highlights that our former partner and ally had ceased to be one.

The EU and its member states are witnessing the tragic reality of the erosion of the structures of international relations. At the same time, the bloc still has the will to defend multilateralism and its own role as an international actor. The rules-based order is the right legal and political ecosystem for a secure, independent and stable EU. In this context, Spain has expressed a firm position in leading the recognition of Gaza as a state and in qualifying Israel's actions against the population of Gaza as a crime against humanity. Spain's position is in line with the views of a majority throughout Europe, and it is grounded in a foreign policy faithful to the defence of the values and principles required by the recently adopted *Spanish External Action Strategy*.

In this worrying international context, Europe must reaffirm its rejection of force and coercion as a tool for achieving political goals. The presence of the EU in the negotiation of a peace plan for Ukraine is crucial in moving the scene away from an unacceptable capitulation for Ukraine and for Europeans. Europe's call for our security to be effective requires faster progress in shaping an autonomous and credible defence structure.

Towards a more autonomous European defence: A step forward in political integration within (or outside) the Treaties

Europe's security is a pressing concern for Europeans. We need to answer three questions without delay: what security we want; what security we need; and what security we are ready to pay for. The debate does not deny the value of 'soft power' instruments, but it is necessary to recognise their limitation in an international context without rules. This is why the EU must embrace new approaches to defence that would have been unimaginable years ago.

Having strategic autonomy in the security dimension also requires efforts of a political, budgetary and industrial nature, among others. The challenge for the EU and its states increases if such efforts need to be made without abandoning the commitments made to NATO as a collective defence that ensures deterrence. In this context, Spain unequivocally refused to accept a spending commitment of 5% of GDP at the NATO summit in The Hague in June 2025. This position does not ignore the threats we have to face as Europeans, nor does it amount to reducing the commitment to a collective defence system of which we are part. Quite the contrary. Beyond raising concerns about a decision imposed by someone who is no longer a completely reliable ally, it is also a matter of giving the European defence industry time to absorb the expenditure required to strengthen a more autonomous security architecture. All this without compromising the pillars of the welfare state as an element of European identity.

The decision to achieve a common defence for Europe will require moving forward in the process of political integration of the Union through the reform tools provided for in the Treaties. If this formula cannot be used due to the lack of agreement by some member states, other formulas should be considered that could allow progress, even outside the Treaties. This option has already been used to approve the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union at a particularly challenging time for the European integration process, such as the euro crisis.

Spain's progressive government is developing an ambitious agenda on both domestic and foreign policy. The strong performance of the Spanish economy is an exception in the European context. This is an opportunity to strengthen the foundations of the welfare state, which is integral to our democratic identity and the basis for many people's confidence in the future. Furthermore, Spain has not renounced its firm stance in defence of a more autonomous and cohesive Europe, capable of defending its values and the rules-based liberal order.